

## Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 19538 301743Z

46

ACTION SS-14

INFO OCT-01 ISO-00 EUR-08 EB-03 SP-02 TRSE-00 NSC-05

NSCE-00 SSO-00 FRB-01 CIAE-00 ONY-00 /034 W

----- 051127

O 301722Z NOV 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 1505

LIMITED OFFICIAL USE ROME 19538

LIMDIS

DISTRIBUTE TO S, D,E, P, C, EB, EUR, S/P, TREASURY NSC AND  
FRB ONLY

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJECT: ECONOMIC SITREP NO. 21 TUESDAY, NOVEMBER 30

REF: ROME 19448

1. SUMMARY. FOUR-HOUR GENERAL STRIKE BY INDUSTRIAL UNIONS  
PROTESTING NATURE OF AUSTERITY PROGRAM SHUT DOWN NEWSPAPERS  
TODAY, AMONG OTHER BUSINESSES. UNION CONFEDERATIONS SMART-  
MING AT GOVERNMENT'S FAILURE TO RESPOND TO LETTER WHICH DE-  
MANDED THAT ALL ASPECTS OF INTENDED ECONOMIC PROGRAM BE SPECI-  
FIED. CONSEQUENTLY, NEGOTIATIONS WITH INDUSTRY WILL CONTINUE  
WHILE GOVERNMENT STILL HOLDS CONCEALED HAND. WHOLESALE  
PRICES IN OCTOBER UP 2.5 PERCENT ANBTCSUMER PRICES UP 2.9  
PERCENT. LIRA RATE ALMOST UNCHANGED WITH MARKET DEMAND AT  
LOW LEVEL. END SUMMARY.

2. FOUR-HOUR GENERAL STRIKE. FOUR-HOUR GENERAL STRIKE OF  
7 MILLION DEPENDENT INDUSTRIAL WORKERS CALLED BY UNION CON-  
FEDERATION NOVEMBER 30 AS ONE OF SERIES OF "ARTICULATED STRIKES"  
PROTESTING GOVERNMENT'S NATURE OF AUSTERITY PROGRAM. ONE  
CONSEQUENCE IS THAT NO NEWSPAPERS PUBLISHED ON NOVEMBER 30  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 19538 301743Z

AND MANY OTHER ACTIVITIES CURTAILED OR POSTPONED.

3. GOVERNMENT PLANS REMAIN WILD CARD IN UNION-INDUSTRY TALKS.  
GOVERNMENT'S (DELIBERATE) FAILURE TO RESPOND TO UNION CON-FEDERATION DEMAND THAT FULL EXTENT OF AUSTERITY MEASURES PLANNED AND MEANS TO EFFECT THEM BE SPELLED OUT HAS LEFT UNIONS UNSURE OF MANEUVERING ROOM LEFT THEM IN DISCUSSIONS WITH INDUSTRY. BOTH UNIONS AND INDUSTRY WOULD LIKE VERY MUCH FOR GOVERNMENT TO LAY OUT PLAN TO REDUCE LABOR AND PRODUCTION COSTS AND THUS THEY WOULD NOT HAVE TO EITHER ENGAGE IN SERIOUS CONCESSIONS OR SHARE ONUS OF FAILED NEGOTIATIONS RESULTING IN GOVERNMENT IMPOSED SOLUTION. NEGOTIATIONS RESUME ON DECEMBER 2 WITH UNCERTAINTY AS TO GOVERNMENT'S DETERMINATION AND LENGTHS TO WHICH IT WOULD GO TO SEE LABOR COSTS REDUCED ACTING AS A WILD CARD IN NEGOTIATIONS.

4. ECONOMIC INDICATORS. WHOLESALE PRICE INDEX FOR OCTOBER RELEASED NOVEMBER 29 SHOWED INCREASE OF 2.5 PERCENT OVER PREVIOUS MONTH. AVERAGE INCREASE JANUARY-OCTOBER 1976 COMPARED TO SAME PERIOD IN 1975 SHOWED INCREASE OF 21.1 PERCENT. CONSUMER PRICE INDEX SHOWS INCREASE OF 2.9 PERCENT IN OCTOBER COMPARED TO SEPTEMBER.

5. MONEY MARKET. NOVEMBER 30 LIRA/DOLLAR RATE UNCHANGED AT 865.50 (AGAINST 865.95 ON PRECEDING DAY). MARKET DEMAND CONTINUES AT MUCH REDUCED LEVEL. PRIOR DEPOSIT REQUIREMENT REDUCED TO 40 PERCENT FROM 45 PERCENT FROM TODAY. VOLPE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, ECONOMIC CONDITIONS, FINANCIAL TRENDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 NOV 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** vogelfj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ROME19538  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760443-0864  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t1976113/aaaaacng.tel  
**Line Count:** 87  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** LIMDIS, ONLY  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** LIMDIS  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** LIMDIS; LIMDIS, ONLY  
**Reference:** 76 ROME 19448  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** vogelfj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 MAY 2004 by BoyleJA>; APPROVED <08 SEP 2004 by vogelfj>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC SITREP NO. 21 TUESDAY, NOVEMBER 30  
**TAGS:** EFIN, IT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006